

cases in which men paid 75 cents in the dollar, and yet were not honest. He believed that since the Insolvency Act had been repealed, it was better to give power to the Judges, when they were satisfied there was no fraud, to grant an insolvent his discharge.

Mr. BROWN said he could hardly see the force of an amendment to a Bill that did not exist. He thought the repeal of the Insolvency Act last Session was a move in the right direction, and he did not believe in tinkering with it now, before it had a fair trial. The farming community derived no benefit from an Insolvency Act. If a farmer aided a young man to start in business by endorsing a note for him, and the young man failed, he might go through the Bankruptcy Court, get his discharge, and start business again, while the farmer had to meet the debt to the last dollar. He hoped the Government would allow no tinkering with this matter. In the course of a few years more, a comprehensive Insolvency Act might be necessary, but at present he saw no reason for this Bill, and he felt it his duty to vote against it.

Mr. BECHARD said that last year the Insolvency Act, which had been in existence in this country for many years, was repealed, except in regard to cases then pending. One of the reasons for its repeal, was that it gave too much facility to an insolvent to defraud his creditors. To remedy that evil, a clause was inserted in the Act, in 1875, that no debtor could obtain a discharge unless he paid fifty cents in the dollar, though it was left to the Judge to discharge him, if he came to the conclusion that the debtor was unable to pay that amount. In 1877 the latter provision was repealed, and the debtor thereafter could not obtain his discharge unless he paid fifty cents in the dollar. The present Bill, he thought, was in contravention of the well-expressed opinion of the House last year, and the well-expressed wish of the people. They had no reason to believe that the people had since changed their minds. Cases pending should be settled according to the provisions of the repealing Bill. He moved:

"That the Bill be not now read a second time, but that it be read a second time this day six months."

Mr. McLENNAN said he had seconded the motion for the second reading of the Bill upon what he conceived to be very good ground for proposing a repeal of those restrictions now placed upon a Judge in granting a discharge. It was true, the Insolvency Act had been repealed last year with the common consent of Parliament; but there were parties who were not entirely free from the operation of the law, and the object of this Bill, as he understood it, was to give relief to those parties who were left, as one might say, betwixt earth and heaven, whose estate had been taken out of their hands, and who were left subject to some very hypothetical conditions. He had only to read the provisions of this Act to show that the law could be very ambiguous. For his own part he was convinced, with the cheerful monarch who lived some time ago, that it was desirable to know no more of the law, if this was its character, than a private gentleman ought to know. The conditions proposed to be repealed are these: "That the Judge may only grant a discharge in one of these cases: 1st, that a dividend of not less than fifty cents on the dollar has been, or will be, paid out of the insolvent's property." That was a fair subject for proof before a Judge, but when they came to the next condition: "that such dividend might have been paid but for the negligence or fraud of the assignee or inspectors, or that the insolvent had, prior to the institution of proceedings in insolvency, mailed and registered to the address of each of his creditors, so far as known to him, a declaration acknowledging his insolvency and that no proceeding in insolvency had been instituted against the insolvent for more than one month

after the mailing of such notice, and that such dividend would have been paid but for circumstances for which the insolvent cannot justly be held responsible, arising more than one month after the mailing of such declaration," it was difficult to imagine what process of law or what length of time would be necessary to discuss questions of so much uncertainty as were involved in these two conditions. He was not going into the question of the advantage or disadvantage of an insolvency law. Here was a class of people left in a state of great uncertainty, subject to conditions that should not be perpetual in their operation. Were these people to be left forever subject to the misfortunes that had overtaken them under the action of that Court? He believed the time had come when they should be left to the untrammelled judgment of a Court that could deal with their cases on ordinary principles of law, and give them a discharge where no fraud was alleged in their dealing with their property.

Mr. BLAKE said the House would remember that from year to year, during the continuance of the Insolvency Law, complaints were made as to its operation, one of the principal of which was that it was a law by which men went into insolvency and got their discharge from the payment of their honest debts without proper precautions having been taken to show that they were entitled to a discharge. The law, as it stood in 1875, which was more stringent than the previous laws, was framed more stringently to meet that objection. It was found not to meet it. The practical experience of those merchants and lawyers who had to do with the law was, that under its operation, as under that of former laws, nearly everybody obtained a discharge. With a view of meeting the growing feeling that the Insolvency Law ought not to be so framed as practically to admit of men going on in business long after the period at which they ought to be stopped risking property which they knew was their creditors property and not their own, and then, when their estates had been dissipated, going into insolvency only to obtain almost invariably an immediate discharge, an effort was made in 1877 to provide that there should be some substantial difficulty placed in the way of their getting a discharge, unless there had been a reasonably early going into insolvency. The idea was that as soon as men perceived their affairs were in such a state that they could not pay twenty shillings in the pound, they ought to put their property into the hands of trustees for their creditors, and permit it to be worked out for their benefit—in fact, that the property was no longer theirs, but their creditors. Well, the provisions then established by Parliament were those that the hon. member for Glengarry (Mr. McLennan) had read. The discretion of the Judge was restricted, first of all by the provision that he should not be able to grant a discharge unless satisfied that fifty cents had been, or would be, paid out of the property, and that a dividend of that amount would have been paid but for the negligence of the assignees or the inspectors. If the hon. member for Glengarry had been in the House during the discussion on the Insolvency Law, he would have known a great grievance was that fraud was exercised by the assignees and inspectors which resulted in the depreciation or sale at great sacrifice of the property. The question whether there had been fraud or negligence on the part of an officer or trustee, and what loss had resulted from such negligence was not as difficult as many other questions submitted to the decision of a Judge or jury. If the assignee or inspector had been guilty of such fraud or negligence as to cause a loss of \$5,000 to the estate, that \$5,000 would, for the purposes of calculation, be added to the assets as they came from the hands of the insolvent, in order to decide whether, with that amount, they would have realized sufficient to entitle the bankrupt to a discharge. But it was also said that the insolvent ought not to be placed in that position, inasmuch as the Insolvent Act being